



## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>



OCT 02 2006

IN REPLY REFER TO:  
UTU-78405  
(923)

CERTIFIED MAIL--Return Receipt Requested

Mr. Rich LaConti  
American Gilsonite Company  
29950 South Bonanza Highway  
Bonanza, UT 84008

Re: Mining Plan Federal Gilsonite lease UTU- 078405, I-30 Mine

Dear Mr. LaConti:

### MINING PLAN APPROVAL

**Background-** We have received your updated mining plan dated February 24, 2006. This plan covers your re-entry into a mine that had been previously approved by the Utah Division of Oil, Gas and Mining under a Utah State Institutional Trust Lands Administration Lease. This lease was turned over to the Federal Government on October 28, 1998.

**Approval-** The plan is summarized as follows:

1. New Hoist house and head frame, orebin and ancillary facilities will be installed on the existing production shaft.
2. New escape shaft with hoist will be placed approximately 800 feet east southeast of the existing shaft.
3. American Gilsonite will require a small Right-of-Way to obtain access from the lease to the main road that goes to Little Bonanza.
4. At the present time there are footings and the production shaft is in-place at the site. The roads have been constructed under the old approval

This approval does not constitute any approvals required by the Division of Oil, Gas and Mining or any other permits necessary to commence operations.

### Conditions of Approval-

1. **As Built Drawings.** The Lessee will submit to the Deputy State Director, Natural Resources, BLM Utah State Office, at the above address, a scaled map showing the as built construction and the survey coordinates (State Plane or metes and bounds description) of each of the mine features,

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DIV. OF OIL, GAS & MINING

buildings, and the vein, within 90 days after construction is complete. The person who conducts the survey and the manager will sign and date the drawing. Land features will be shown on the drawing. These will include but are not limited to section corners, roads, and section lines. An updated map will be sent to BLM within 90 days after construction is completed on any new sites.

2. **Surface Pillar.** If a surface pillar is left, the lessee shall leave a minimum of 30' between the surface and the upper most workings in the mine. Any proposed surface pillar size of more than 50 feet or less than 30 feet will require prior approval by BLM. The lessee will submit documentation to the AO showing reduced pillar size will not result in any long-term surface subsidence. The AO must approve changes in surface pillar size prior to any changes.
3. **Quarterly Production Maps.** The lessee will submit maps quarterly to the BLM Utah State Office of the BLM showing the amount of gilsonite removed in the previous quarter. These will be submitted by January 15<sup>th</sup>, April 15<sup>th</sup>, July 15<sup>th</sup> and October 15<sup>th</sup>. The maps will be scaled and show the depth of cut and the thickness of the vein at intervals that can be used to verify production. These maps shall be certified by a registered engineer, land surveyor or an official of the company.
5. **Yearly Mining Plan.** By January 15<sup>th</sup> of each year, the lessee will submit a one-year mine plan to the BLM Utah State Office showing the proposed mining sequences for the coming year on a scaled map. The one-year plan will describe the extraction sequence and the projected tonnages of ore to be extracted for that year.
6. **Groundwater.** Should groundwater flow be encountered in quantities greater than 5 gallons per hour during mining operations, the lessee/operator shall contact the Utah State Office Mining Engineer(801- 539-4036) and the Vernal Field Office Hydrologist or Geologist (435-781-4400) within 24 hours of the encounter and report on the following:
  - 1) True vertical encountered depth
  - 2) Subsurface location at which it was encountered
  - 3) The approximate flow rate into the mine
  - 4) Association of flow with any major geologic feature such as a fault or fracture surface.

Based upon this information, the AO will determine if the lessee will be required to monitor the effect of the flow into the mine on any nearby wildlife, or stock wells. If such wells are affected the AO may require the lessee to supply replacement water to the affected stock or wildlife ponds.

All groundwater flows encountered in the mine shall be sampled according to your discharge permit.

7. **Signage.** The lessee shall maintain a sign on the outside the hoist house at the working site that lists the Federal lease number.
8. **Shaft Sealing.** Final designs shall be submitted and reviewed by BLM prior to seal construction. The collar and other structures shall be removed.

**Basic Design of Concrete Seals:** The final concrete seal over openings that penetrate the surface must conform to the following as a minimum:

Bedrock - If the seal is to be in an exposed rock outcrop, the top of the seal shall be constructed so as to conform with the contour of the outcrop and shall be no higher than the adjacent rock. The color of the concrete shall be of such a color as to blend in the surrounding rock outcrop. The bottom of the seal shall sit on bedrock and shall sufficiently cover the gilsonite vein.

Soil Area- If the shaft seal is to be in an area where soil will cover the shaft seal, the top of the seal shall be placed in bedrock so that the shaft seal is a minimum of 2 feet below the top of the soil cover. There shall be no alluvial material between the shaft cover and the Gilsonite in the vein and the seal must be in-bedded in the Gilsonite on the vein side of the cover.

Drawing- An as built drawing shall be submitted along with pictures showing the construction of the shaft seal.

9. **Cultural Resources.** A Class III archeological survey may be required. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM, the AO will inform the lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the lessee will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the lessee wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the lessee will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer (AO) that required mitigation has been completed, the lessee will then be allowed to resume activities.

10. **Paleontology.** The lessee shall stop construction activities and notify the AO if paleontological resources (vertebrate fossils) are exposed or identified during construction or mining. The BLM will provide mitigation measures to allowing construction or mining. Costs of mitigation will be borne by the lessee.
11. **Containment Berm.** No topsoil from the lease shall be used in the construction of the containment berm on the low side of the shaft and ore bin area.
12. **Noxious Weeds.** The lessee will control noxious weeds on areas disturbed by mining and on adjacent undisturbed lands which will extend 50' beyond the disturbance. The lessee will control weeds that the Utah Commissioner of Agriculture and the Uinta County so designates in the future, up to the time that final reclamation on the lease is found to be to the satisfaction of the BLM. If herbicides or other pesticides or possibly hazardous chemicals are to be used, it is required that a Pesticide Use Proposal be submitted by the lessee and approved by the AO prior to any application.

**UTAH NOXIOUS WEEDS** The Utah State Commissioner of Agriculture has officially designated 18 species listed below as noxious in the State of Utah. These may change and the county may adopt other species.

COMMON NAME

Bermudagrass  
Field Bindweed  
Broad-leaved Pepperweed  
Canada Thistle  
Diffuse Knapweed  
Dyers Woad  
Perennial Sorghum spp.

SCIENTIFIC NAME

*Cynodon dactylon* (L.) Pers.  
*Convolvulus* spp. (Wild Morning-glory)  
*Lepidium latifolium* L. (Tall Whitetop)  
*Cirsium arvense* (L.) Scop.  
*Centaurea diffusa* Lam.  
*Isatis tinctoria* L.  
including but not limited to Johnson Grass (*Sorghum halepense* (L.) Pers. and *Sorghum Alnum* (*Sorghum alnum*, Parodi)  
*Euphorbia esula* L.  
*Taeniatherum caput-medusae* (L.) Nevski  
*Carduus nutans* L.  
*Agropyron repens* (L.) Beauv.  
*Centaurea repens* (L.)  
*Onopordium acanthium* L. (Cotton Thistle)  
*Centaurea maculosa* Lam.  
*Centaurea squarrosa* Roth  
*Cardaria* spp.  
*Centaurea solstitialis* L.  
*Lythrum salicaria*

13. **Stipulation Waiver.** Any of these stipulations may be waived by the authorized officer (AO) if either the resource values change or the lessee/operator demonstrates to the satisfaction of the (AO) that adverse impacts can be mitigated.

**Notice(s)-**

1. Any exploration or additional activities not included in the Mine Plan Approval must be approved by the BLM prior to commencement.
2. Should mining conditions warrant a change to your mine plan approval (mining and reclamation plan), you must submit, in writing a request for modification to the Utah State Office (attn: Mr. Stan Perkes) and receive a written approval prior to conducting the proposed modification(s).

**Bond-** The Lessee has a \$27,000 bond in place with the Utah BLM for advanced royalties and royalties. The reclamation liabilities are calculated by BLM to be approximately \$21,000. The Utah Division of Oil, Gas and Mining have this operation currently bonded. It appears that BLM and DOGM have sufficient bonding to cover the liabilities for reclamation, rentals and royalties. BLM may adjust the bond amount at any time.

**Appeal Rights-** You have 30 days to appeal this approval to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and Form 1842-1 (enclosed). If an appeal is taken, your notice of appeal must be filed in this office within 30 days following the date of this approval. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show

sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

**/s/ Jeff McKenzie**

James F. Kohler  
Chief Solid Minerals

Enclosure: Form 1842-1

bcc: Central Files  
Vernal Field Office  
Utah Division of Oil, Gas, and Mining (Attn. Doug Jensen, 1594 West North Temple, P.O. Box 145801, Salt Lake City, Utah, 84114-5801  
Mine Files - UTU-78405

SPerkes:sa:09/12/06:Mine Files/AG/I-30/78405Mine Plan Approval 09 05 2006 New

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**INFORMATION ON TAKING APPEALS TO THE BOARD OF LAND APPEALS**

**DO NOT APPEAL UNLESS**

1. This decision is adverse to you,  
*AND*
2. You believe it is incorrect

**IF YOU APPEAL, THE FOLLOWING PROCEDURES *MUST* BE FOLLOWED**

1. NOTICE OF APPEAL ..... Within 30 days, file a *Notice of Appeal* in the office which issued this decision (see 43 CFR Secs. 4.411 and 4.413). You may state your reasons for appealing, if you desire.

2. WHERE TO FILE .....  
NOTICE OF APPEAL

SOLICITOR  
ALSO COPY TO .....

3. STATEMENT OF REASONS ..... Within 30 days after filing the *Notice of Appeal*, file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of the Secretary, Board of Land Appeals, 801 N. Quincy St., Suite 300, Arlington, Virginia 22203 (see 43 CFR Sec. 4.412 and 4.413). If you fully stated your reasons for appealing when filing the *Notice of Appeal*, no additional statement is necessary.

SOLICITOR  
ALSO COPY TO .....

4. ADVERSE PARTIES ..... Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose **must** be served with a copy of: (a) the *Notice of Appeal*, (b) the Statement of Reasons, and (c) any other documents filed (see 43 CFR Sec. 4.413). Service will be made upon the Associate Solicitor, Division of Energy and Resources, Washington D.C. 20240, instead of the Field or Regional Solicitor when appeals are taken from the decisions of the Director (WO-100)

5. PROOF OF SERVICE ..... Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of the Secretary, Board of Land Appeals, 801 N. Quincy St., Suite 300, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (see 43 CFR Sec. 4.401(c)(2)).

*Unless these procedures are followed, your appeal will be subject to dismissal (see 43 CFR Sec. 4.402). Be certain that all communications are identified by serial number of the case being appealed.*

**NOTE:** *A document is not filed until it is actually received in the proper office (see 43 CFR Sec. 4.401(a))*

## SUBPART 1821.2--OFFICE HOURS; TIME AND PLACE FOR FILING

Sec. 1821.2-1 *Office hours of State Offices.* (a) State Offices and the Washington Office of the Bureau of Land Management are open to the public for the filing of documents and inspection of records during the hours specified in this paragraph on Monday through Friday of each week, with the exception of those days where the office may be closed because of a national holiday or Presidential or other administrative order. The hours during which the State Offices and the Washington Office are open to the public for the filing of documents and inspection of records are from 10:00 a.m. to 4:00 p.m., standard time or daylight savings time, whichever is in effect at the city in which each office is located.

Sec. 1821.2-2(d) Any document required or permitted to be filed under the regulations of this chapter, which is received in the State Office or the Washington Office, either in the mail or by personal delivery when the office is not open to the public shall be deemed to be filed as of the day and hour the office next opens to the public.

(e) Any document required by law, regulation, or decision to be filed within a stated period, the last day of which falls on a day the State Office or the Washington Office is officially closed, shall be deemed to be timely filed if it is received in the appropriate office on the next day the office is open to the public.

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See 43 CFR 4.21 for appeal general provisions.